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LOS ANGELES COUNTY REGISTRAR - RECORDER/COUNTY CLERK

RECORDING REQUESTED BY:

Mr. Ed Choi
Amherst Real Estate Capital
12121 Wilshire Blvd., Suite 959
Los Angeles, California 90025

WHEN RECORDED, MAIL TO:

Department of Toxic Substances
Control
Southern California Cleanup
Operations
1011 North Grandview Avenue
Glendale, California 91201
Attention: Sayareh Amir, Chief
Southern California Cleanup
Operations

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY

ENVIRONMENTAL RESTRICTION

(Re: Former Ultracircuits Facility
Assessor's Parcel No. 2748-004-043)

This Covenant and Agreement ("Covenant") is made by and between Saeb R. Nesheiwat (the "Covenantor"), the current owner of property situated in the city of Chatsworth, County of Los Angeles, State of California, described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"), and the Department of Toxic Substances Control ("DTSC"). Pursuant to Civil Code section 1471(c), DTSC has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health and Safety Code ("H&SC") section 25260. The Covenantor and DTSC, collectively referred to as the "Parties", hereby agree that the use of the Property be restricted as set forth in this Covenant.

ARTICLE I
STATEMENT OF FACTS

1.01. The Property, totaling approximately 15,000 square feet is more particularly described and depicted in Exhibit "A", attached hereto and incorporated herein by this reference. The Property is located in the area now generally bounded by an alley on the north, Marilla Street on the south, a stand-alone cinder block building similar to the building located on the property to the east, and another block building to the west, in the City of Chatsworth, County of Los Angeles, State of California. A cinder block building with a concrete slab located in the center of the Property and a paved parking lot and storage area behind the main building cover 90% of the property, with landscaping covering the remaining 10%. This property is more specifically described as Los Angeles County Assessor's Parcel No. 2748-004-043.

1.02. Covenantor has conducted removal actions on the Property. These removal actions have been included in a report, "Report on Remedial Action and Groundwater Investigation" dated March 26, 2002, which has been submitted and approved by DTSC. This report was submitted pursuant to a Voluntary Cleanup Agreement between DTSC and Marilla Gorilla Corporation. Removal actions have been conducted which include excavation and disposal of 80 tons of soil contaminated with chromium. Because hazardous substances, as defined in H&SC section 25316, which are also hazardous materials as defined in H&SC section 25260, which include volatile organic compounds, remain in the soil and groundwater in and under portions of the Property, DTSC has determined that a deed restriction be required.

1.03. As detailed in the document "Preliminary Endangerment Assessment Report - Data Evaluation and Human Health Risk Assessment, SAW Performance products, Inc. Property- Former Ultracircuits Facility" as approved by DTSC on March 22, 2002, all or a portion of the surface and subsurface soils within 10 feet of the surface of the Property contain hazardous substances, as defined in H&SC section 25316, which include the following contaminants of concern in the ranges set forth below: trichloroethene [11 to 260 micro-grams per liter (" $\mu\text{g/L}$ ")], 1,1 -dichloroethene 5 to 66 $\mu\text{g/L}$), 1,1,1 trichloroethane (4

to 62 $\mu\text{g/L}$) and perchloroethylene (3 $\mu\text{g/L}$). Based on the Risk Assessment, DTSC concluded that use of the Property as a residence, hospital, school for persons under the age of 21 or day care center would entail an unacceptable cancer risk. DTSC further concluded that the Property, subject to the restrictions of this Covenant, does not present an unacceptable threat to human safety or the environment, if limited to commercial and industrial use.

Groundwater at the Property is found 120 to 140 feet below ground surface. Contaminants in the groundwater include trichloroethene (1.30 $\mu\text{g/L}$), 1,1 -dichloroethene (1.9 $\mu\text{g/L}$), and perchloroethylene (12.0 $\mu\text{g/L}$). California drinking water standards are trichloroethene at 5.0 $\mu\text{g/L}$, 1,1 -dichloroethene at 5.0 $\mu\text{g/L}$, and perchloroethylene at 5.0 $\mu\text{g/L}$.

ARTICLE II

DEFINITIONS

2.01. DTSC. "DTSC" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. Owner. "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.03. Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

ARTICLE III

GENERAL PROVISIONS

3.01. Restrictions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), subject to which the Property and every portion thereof shall be improved,

held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to H&SC section 25355.5(a)(1)(C) and Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property, (c) is for the benefit of, and is enforceable by DTSC, and (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. Binding upon Owners/Occupants. Pursuant to H&SC section 25355.5(a)(1)(C), this Covenant binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471(b), all successive owners of the Property are expressly bound hereby for the benefit of DTSC.

3.03. Written Notice of the Presence of Hazardous Substances. Prior to the sale, lease or sublease of the Property, or any portion thereof, the owner, lessor, or sublessor shall give the buyer, lessee, or sublessee notice that hazardous substances are located on or beneath the Property, as required by H&SC section 25359.7.

3.04. Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases for any portion of the Property.

3.05. Conveyance of Property. The Owner shall provide notice to DTSC not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). DTSC shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

ARTICLE IV
RESTRICTIONS

4.01. Prohibited Uses. The Property shall not be used for any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
- (b) A hospital for humans.
- (c) A public or private school for persons under 21 years of age.
- (d) A day care center for children.

4.02. Soil Management

- (a) No activities that will disturb the soil beneath the concrete slab in the building (e.g., excavation, grading, removal, trenching, filling, earth movement or mining) shall be allowed on the Property without a Soil Management Plan and a Health and Safety Plan approved by DTSC.
- (b) Any contaminated soils brought to the surface by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of state and federal law.
- (c) The Owner shall provide the DTSC written notice at least fourteen (14) days prior to any building, filling, grading, mining or excavating in the Property.

4.03. Prohibited Activities. The following activities shall not be conducted at the Property:

- (a) Drilling for [drinking] water, oil, or gas [without prior written approval by the DTSC].
- (b) Extraction of groundwater for purposes other than site remediation or construction dewatering.

4.04. Non-Interference with Building Concrete Slab. Activities that may disturb

the concrete slab present in the building that is located on the Property shall not be permitted without prior review and approval from DTSC.

4.05. Access for DTSC. DTSC shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by DTSC in order to protect the public health or safety, or the environment.

ARTICLE V ENFORCEMENT

5.01. Enforcement. Failure of the Covenantor, Owner or Occupant to comply with any of the Restrictions specifically applicable to it shall be grounds for DTSC to require that the Covenantor or Owner modify or remove any improvements ("Improvements" herein shall mean all buildings, roads, driveways, and paved parking areas), constructed or placed upon any portion of the Property in violation of the Restrictions. Violation of this Covenant shall be grounds for DTSC to file civil or criminal actions as provided by law.

ARTICLE VI VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor, or any other aggrieved person, may apply to DTSC for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&SC section 25233.

6.02. Termination. Covenantor, or any other aggrieved person, may apply to DTSC for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with H&SC section 25234.

6.03. Term. Unless ended in accordance with the Termination paragraph above, by law, or by DTSC in the exercise of its discretion, this Covenant shall continue in effect

in perpetuity.

ARTICLE VII
MISCELLANEOUS

7.01. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.02. DTSC References. All references to DTSC include successor agencies/departments or other successor entity.

7.03. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.

7.04. Notices. Whenever any person gives or serves any Notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner:

Seab R. Nesheiwat
20751 Marilla Street
Chatsworth, California 91311

To DTSC:

Sayareh Amir, Chief
Department of Toxic Substances Control
Southern California Cleanup Operations
1011 N. Grandview Ave.
Glendale, California 91201

Any party may change its address or the individual to whose attention a Notice is to be sent

by giving written Notice in compliance with this paragraph.

7.05. Partial Invalidity. If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

7.06 Statutory References. All statutory references include successor provisions.

IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor:

By:

Title:

Seab R. Nesheiwat & LAMIS S. NESHEIWAT
20751 Marilla Street
Chatsworth, California 91311

Date:

23 Oct - 2002

10-NOV-2002

Department of Toxic Substances Control

By:

Title:

Sayareh Amir, Chief
Southern California Cleanup Operations
Glendale Office

Date:

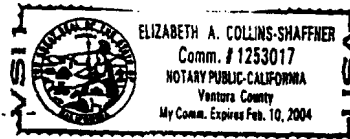
Nov-19-02

STATE OF CALIFORNIA)

COUNTY OF Ventura)On this 23rd day of October, in the year 2002,before me Elizabeth A. Collins-Shaffner, personally appearedSaeb R. Nesheiwat

~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is ~~are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature

Elizabeth A. Collins-Shaffner

STATE OF CALIFORNIA)

COUNTY OF VENTURA)On this 10th day of NOVEMBER in the year 2002GUS H. ELIAS (NOTARY PUBLIC, CA)(2) before me LAMIS SAEB NESHEIWAT, personally appearedLAMEES SAEB NESHEIWAT (a.k.a.: LAMIS)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is ~~are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

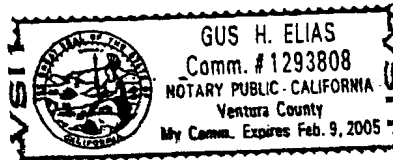
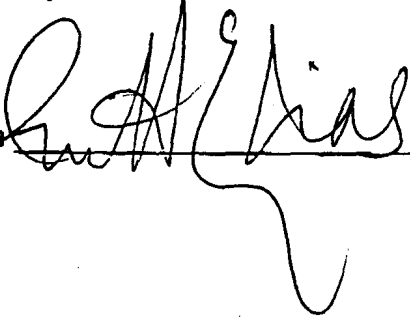


Exhibit "A"

Legal Description of the Property

A legal description of the Property, located at 20751 Marilla Street, Chatsworth, is described below.

The land referred to herein is situated in the County of Los Angeles, State of California and is described as follows:

Lot 10 of Tract No. 25126, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 791, pages 99 and 100 of maps, in the office of the County recorder of said County.

Exhibit "A"

Legal Description of the Property

A legal description of the Property, located at 20751 Marilla Street, Chatsworth, is described below.

The land referred to herein is situated in the County of Los Angeles, State of California and is described as follows:

Lot 10 of Tract No. 25126, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 791, pages 99 and 100 of maps, in the office of the County recorder of said County.